

QUARTERLY TASK ORDER
PROGRESS AND
COST REPORT

JULY TO SEPTEMBER 2006

LOCAL GOVERNMENT AND
DECENTRALIZATION IN
ALBANIA PROGRAM

Prepared for



Albania Local Government Program
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ANNUAL TASK ORDER PROGRESS AND COST REPORT

JULY TO SEPTEMBER 2006

LOCAL GOVERNMENT AND DECENTRALIZATION IN ALBANIA PROGRAM (LGDA)

BACKGROUND

In July 2004, United States Agency for International Development (USAID) contracted the Urban Institute (UI) to implement a three-year local government project in Albania. This project will assist the Government of Albania in implementation of its decentralization strategy and in building capacity of local government units to fulfill their newly mandated responsibilities. It will also support association development and focus on increasing citizen participation in targeted units of local government. The project builds on UI's two previous projects in Albania that fostered the environment for ongoing reforms.

Task Order No.:	EEU-I-00-99-00015-00, TO No. 813
Date of Issuance:	July 26, 2004
Amount Obligated Under Task Order:	\$3,999,995
Total Potential Task Order Amount:	\$3,999,995
Dollars Expended To-date:	\$2,947,222
Key Personnel:	Barry Reed, Chief of Party, 069.208-4957 barry@lgda-al.org

HIGHLIGHTS

- Working Group process to develop a consensus policy on a new Urban Planning Law continues and intensifies
- Working Group on Organic Budget Law concludes
- LGDA & AAM joint efforts in all decentralization tasks
- Service Improvement Action Planning progresses and expands
- Local civil society organizations play an expanded role in linking bridges between local governments and their community
- First performance monitoring data available
- PMP Indicator data submitted
- Matrix of outcome indicators in all target cities prepared

PROGRESS OF MAJOR ACTIVITIES

Under IR 3.1, LGDA continued to maintain significant momentum in facilitating progress in decentralization. Q3 saw the conclusion of LGDA's working group that developed the policy paper for the local government sections of the new Organic Budget Law. LGDA also continued with the working group to draft the policy paper for the upcoming new urban planning law.

LGDA seconded its decentralization specialist to AAM to jointly cover decentralization tasks. It is hoped a closer relationship will improve their performance and sustainability (and make them a more respected actor in the decentralization process). LGDA is also supporting AAM on a project to test the administration of small business tax to the local level and prepare local governments for the transfer of administering this tax in January.

PMP indicator data show that the main decentralization indicators grew at healthy rates during the last year. LGDA expects another sizable positive boost in these indicators in the upcoming year.

Under IR 3.2, local government units, both target and non-target cities continue to work on SIAP development and monitoring. Most Cities are working on the data collection and/or data analysis stages. Cities also continue to monitor 2006 SIAP implementation. LGDA has results from the first performance monitoring. Involvement of CSOs in WGs and the role of attracting citizen opinion or physically assessing service conditions (through trained observer ratings) grew tremendously.

Sub IR 3.1: Fiscal and Administrative Authorities Effectively Decentralized

Focus on Reforms That Expand Local Discretionary Authority

Activity 3: Pilot Project to Test Draft Health and Safety Standards for Secondary School Maintenance

LGDA pilot cities completed their maintenance cycle during Q3. Each will now conduct a second round of trained observer ratings (physical assessment) of pre-university facilities to determine if they made progress in meeting the 8 health and safety standards. This will also re-start the process for prioritizing maintenance activities for meeting the standards next summer as part of the 2007 budget. LGDA briefed the Minister of Education and Science on the project status (first formal meeting took place in January) and discussed opportunities to scale out the pilot to other local governments. The Minister appreciated the results and expressed his willingness to introduce the project to more LG units in the country as well as to consider the investment allocation more closely with the Ministry of Finance (MoF). LGDA agreed to submit to him an outline of possible steps for the Ministry to move forward and the limited assistance LGDA could provide (mainly making sure different groups inside the Ministry and cities understood the methodology).

Activity 5: Expanded Local Fiscal Authority

LGDA is supporting an AAM initiative focusing on the issue of the unification of small business taxes into one single tax, and the transfer of the administration of such taxes to local governments. AAM is working in three pilot districts (Tirana, Shkodra, Lushnja), looking at municipalities and communes (and

treasury) in each district, investigating the types of data available, the capacity of local staff and examining all aspects of the transfer and administration of the tax. The AAM team and experts from the General Tax Directorate are looking closely at the problems in practice, by examining both local governments and tax district operations. The project will be finalized with a general roundtable and recommendations for all local governments to successfully administer the tax and have a smooth transition.

Activity 6: Adoption of Law on Municipal Borrowing

The MoF and Ministry of Interior (MoI) have reached agreement with regard to the local borrowing law. The Government will present it as a separate law, not included in the general state Law on Public Debt. Once the Government submits this draft LGDA and AAM will convene a dialog to review it with relevant stakeholders and LGDA will assist AAM to lobby for its approval. We are still not sure of the timing of this law's submission, but should also happen before the end of 2006.

Activity 8: Working Group on Urban Planning Law

Work on territorial/urban planning dialogue came as a result of MoPWTT approaching LGDA and requesting technical and financial assistance, respectively, on drafting a new law. The preparatory work involved a series of discussions and consultations with stakeholders by the end of Q2 and beginning of Q3. Discussions focused on the quality of the process, participation, organization of the activity, discussion topics, etc. The actual stakeholder meetings started by end July and intensified in September, when the WG gathered twice a week. UI Senior Consultant Francis Conway, who is providing technical expertise to the working group, attended six meetings during his three weeks of presence in Tirana. The dialog has also hosted other international experts, like UI Consultant Richard Winnie and the World Bank Mission.

Table 1: An Overview of Territorial/Urban Planning Dialogue Meetings

No.	Date	Sequence of Dialog Meetings	Participants	Additional Information
1	June 23	Launching of the event Preliminary Consultations	MPWTT, LGDA/USAID and sub-contractors ISB & URI; GTZ; CG, LGUs, donors	These initial consultations provided important groundwork for the following meetings
2	July 18-19	Preliminary consultation meetings of UI Consultant Richard Winnie with relevant stakeholders	Urban Planning Director, MoPWTT; Planning Director, City of Tirana; Association of Architects; AAM; Environmental Management Unit, EU	These consultations helped UI Consultant to tailor the presentations to the Albanian system
3	July 20	What - How - Who methodology; purposes and agenda of dialogue; Delivery of 3 presentations from R. Winnie: <ul style="list-style-type: none"> • Land Use Planning in Market Economy; • Assigning Competencies for Land Use Planning; 	Core working group members	

		• Planning Tools		
4	July 27	Team work on the content of the guidance document and methodology.		Presentations posed important questions; therefore, UI Senior Consultant, Francis Conway, assisted directly through a conference call.
5	September 7	Functions: Focus and relevance of subject matter of planning at each level (national, regional, local level)	Central Government (MoPWTT, Mol, MoTourism, MoEnvironment); AAM, AAC; LGUs; Albanian Geological Service; Co-Plan, URI; CSOs (Association of Constructors, Association of Architects, Institute of Engineering Studies and Planning) Donors	Direct technical expertise of UI Senior Consultant Francis Conway
6	September 13	Authority: Legal impact of different levels of planning (binding/non-binding instruments to impose authority)		
7	September 15	The WB Mission on land management and urban economic issues presented their study on urban growth in Albania, which feeds in as a very interesting analysis to the policy dialog.		
8	September 18	Instruments: Changes and Implementation of policies, plans, development controls		
9	September 21	Types of development controls: their variations depending on urban/rural territory, small/large jurisdiction, high/low development potential		
10	September 26	Vertical coordination: hierarchy issues at national vs. local coordination		
11	September 27	Vertical coordination: hierarchy issues at supra-local (sub-national) vs. local coordination		
12	Process ongoing in October			

At the request of MoF, LGDA started work on designing the provisions for a section of the national budget law dedicated to local budget in the framework of local financial autonomy. This will codify current improved financial management and budget practices currently adopted through implementing instructions with each budget. LGDA was on schedule with the activity and concluded the dialog sessions in July. UI has provided considerable guidance to the Ministry in this entire process, even for the provisions not related to local government. The government has temporarily postponed the project, but still intends to submit to Parliament for approval a draft of the law by December 2006. Deputy Minister Shehu re-confirmed that the local government part of this law will be based on the conclusions of the working group of the budget dialog held earlier this year with the support of LGDA.

Table 2: An Overview of Meetings on Local Budget and Intergovernmental Fiscal Relations

No.	Date	Discussion according to the local budget guidance document	WG members	Next Steps
1	June 20	Step 1 – What	Central Government (Mol, MoF and line Ministries); deconcentrated	The conclusions of the these meetings will serve to draft the local budget law as part of the
2	June 21	Step 1 – What (Continued)		
3	June 27	Step 2 – How Step 3 – Who		
4	July 4	Step 3 – Who (Continued)		

5	July 6	Step 1 – What (Readdressing Issues)	agencies of CG; representatives of LG units; AAM, AAC; Donors	organic budget law, expected to be approved from the government and then pass to Parliament for adoption in the fall.
6	July 12	Concluding Meeting		
7	September	Decentralization Team met the deputy minister of Finance, Sherefedin Shehu to discuss the government project on the organic budget law, part of which will be the section on local government finances. There is evidence that GoA has temporarily postponed the project, but still intends to adopt the organic budget law by December 2006.		

B. Institutionalizing an Open, Participatory and Objective Dialogue

Activity 4: Formal Facilitation and Technical Assistance to the Central Government on Decentralization

Activity 6: Active Participation in Activities Related to Decentralization

The new Organic Budget Law should also contain a provision that would formalize the current ad-hoc practice of conducting an annual fiscal dialog between the central government and local governments on intergovernmental financial issues before the Government submits the draft budget to the Parliament. The working group (see above) included this in their recommendations and the Ministry of Finance has already endorsed the concept.

It is worth noting that all decentralization tasks discussed above have been open and participatory. Additionally, Q3 progressed with other activities involving stakeholder organizations (local or international) with a focus on decentralization, including:

- Decentralization Specialist, Sabina Ymeri, met Manos Antoninis, (the EU-funded) Technical Adviser, Department of Strategy and Donor Coordination, NSDI Unit, Council of Ministers to discuss decentralization issues, progress of fiscal decentralization and above all the incorporation of the LGDA indicator of discretionary revenue in their document. He plans to recommend that Albania decentralization be judged according to the indicator LGDA/USAID developed on local government discretion. This is a major accomplishment for USAID. Such an indicator could become the standard for measuring decentralization around the world and USAID and Albania are at the forefront of this development. (July)
- Meetings of LGDA and World Bank Decentralization Team to discuss a land management project currently implemented by WB, and related to LGDA decentralization component in two aspects: 1. relevance to LGDA urban planning initiative; and 2. relevance to an important component for LGs related to property tax and address system, associated with an investment grant for LG, to be allocated based on performance. (August)

- The Group of Experts on Decentralization (GED) convened to discuss three different policy areas: legal&political, administrative and fiscal. GED discussed the potential modification of the strategy of decentralization by emphasizing that the process should take into consideration comprehensive consultations with relevant stakeholders. Several LGDA team members serve on the GED and LGDA provides technical assistance and facilitation to the Ministry for the GED. (August)
- Meetings of LGDA Decentralization Team with the World Bank Country Economist, Alia Moubayed, to discuss the organic budget law in the context of the public finance reform, the local borrowing law and the perspective for prudent borrowing by municipalities and communes, etc. (September)
- Meetings with the Ministry of Interior officials to discuss issues of the annual budget 2007, intergovernmental transfer, formula of equalization, etc. (September)
- LGDA decentralization team met WB expert team (preparing to launch their first project), on the expected policy reform in urban management and planning issues, which is undergoing the dialog process. In addition, issues related to economic development in general, as well as local government financial management and capacities were also discussed. (September)
- LGDA decentralization team participated in a meeting of Deputy Ministers of the Interior, Finance, Public Works, Tourism and Environment concerning issues related to urban planning, and most importantly the horizontal coordination at the national level. The meeting served as a good occasion to introduce high officials with the progress of the dialog. (September)

C. Support for National Level Local Government Organizations

Activity 1: Strengthening the Role of AAM

The new programmatic design proposed in Year #3 workplan initiated this month with the seconding of LGDA Decentralization Specialist to work on the staff of AAM. In this context, the decentralization tasks will be followed by both AAM and LGDA seconded staff and consultants. LGDA is involving AAM in all LGDA decentralization initiatives and activities and is additionally providing facilitation and assistance in this regard. During the second week of September, upon regular attendance of urban planning meetings, AAM convened the planners' forum in order to introduce local planners on the progress of the dialogue and gather their feedback on the issues that had been discussed.

On September 4-5, AAM organized a two day meeting of its membership to learn about activities of the organization during the first half of the year. AAM Executive Director Fatos Hodaj made a short introduction to the goals and objectives of the meeting, as well as to the need to strengthen AAM's capacities. Of particular importance was the presentation of the GED's decisions on the Decentralization Strategy review, and other policies like the extension of Mayor's mandate. A reform on the number of councilors was yet another suggestion brought up during the meeting. Decentralization Specialist S. Ymeri used this opportunity to inform the Mayors in more detail about the cooperation between LGDA and AAM. Mayors showed considerable enthusiasm about this initiative.

LGDA and AAM have begun negotiations on the Local Government Turnover Project. AAM capacity building and their SBT/SPT project have delayed this activity slightly.

Sub IR 3.2: Strengthened Capacity and Accountability of Targeted Local Governments

Management of Local Services

Although operating with the same SIAP methodology, Cities are being more resourceful and are using different perspectives and additional approaches. Below you will find the characteristic features of SIAPs in the third year of LGDA project, as well as a table with the latest status on all SIAPs being prepared and monitored in the target cities.

Fier: Fier is the first City employing large scale participatory techniques for the purposes of priority selection and improvement through SIAP. Sources of information were citizens, city staff, city council and CSOs through open regional meetings and citizen cards. The three top priorities resulting from this process are public lighting, road and sidewalk maintenance and greenery services. The respective WGs are in the process of data collection and work in close collaboration with the initial participatory budgeting WG. The latter addresses all citizen concerns on priority areas to the respective WGs and they subsequently incorporate them in the SIAP documents. Additionally, these services fall under the second strategic goal of the City Strategic Development Plan and SIAP-s will be presented in 2007 budget as actions to achieve this goal. In 2007, City of Fier will implement 4 services with SIAP and will amount to 50% of the total expenditures of the City.

Vore: Vore is conducting a SIAP on Information and Communication, the first of type among LGDA target and non-target cities. The Deputy Mayor and Head of Information Office lead the working group. They started by looking at an effort to improve transparency, share information and better serve the community but have transformed it into an ambitious attempt to make the Public Information Office the stop where citizens can find all the information they need, documents and other arrangements they need to make prior to submitting a formal request or complaint. This approach will allow the City to monitor the needs and time needed for solving problems. Being a cross-cutting issue, this SIAP has involved all City sectors which are preparing handouts with their respective duties and responsibilities toward citizens, as well as brainstorming on possible documents and procedures citizens need to be aware of and/or informed about prior to submitting requests or complaints. The WG will also work on building an intranet to link city departments and connect the City to various institutions and citizens.

Pogradec: This City is spearheading another SIAP attempted for the first time in the country: Tourism. The cross-cutting aspect is evidenced by the interconnection of other services, like cleaning, greenery, road maintenance and lighting (all improved through SIAP) with the City's improvement of procedures to promote tourist, historic and cultural values. Being a tourist City, the WG decided to target visitors rather than the local community, consequently marking the first City orienting a SIAP towards needs of visitors/tourists. This innovative approach directs the survey to achieve outcomes related to the guidance

and attraction of visitors to the city through advertising values; drafting a joint plan between the businesses and the City by referring to the visitors' requests and comments; possible improvements of tourism infrastructure; guiding NGO projects towards visitors/vacationers' request; and allocation of funds by City Council on tourism infrastructure publications. Part of data collection is also a TOR on rating the lake during August (as the month of high frequency of tourists) to identify the type of pollution and the major pollutants. They also conducted a TOR on their beach area as part of the Tourism SIAP.

Elbasan: This is not the first time LGDA reports on standards or performance-based contracts. The Council approves the standards alongside the SIAP and aims at increasing the transparency of the City with its local community. However, Elbasan's concern goes beyond transparency. With maintenance of parks and green spaces, the WG is working towards setting basic technical standards for the organization of a park so that other parks and areas can be brought up to these standards.

Elbasan has also revised its cleaning service contract to rely more on new TOR data and consequently issued a new tender process for the service incorporating TOR and other SIAP elements in the contract. Following the good experience with the cleaning service, the City is applying TOR techniques across parks and green areas, thus allowing the WG to justify funds for annual maintenance, and challenging the myth that contracts are not subject to modifications every year. In fact, TOR will help modify the contract by reflecting TOR results.

Peshkopi: The City of Peshkopi broke its contract for cleaning and greenery services with the private company because the contractor did not accept the incorporation of corrected data and performance standards in its contract. These data came from their SIAPs and TORs. Therefore, both services are now provided by the City.

Both Lezhe and Rreshen share the positive experience of involving Youth Parliaments (YP) in their SIAP WGs and allowing them to take the lead in activities requiring citizen feedback and monitoring of services. This approach is effective and beneficial to the YP group themselves, cities and LGDA.

Lezhe: YP Lezhe monitored the cleaning service and is in the process of preparing a monitoring report to be presented to October City Council meeting. Additionally, they are working on the improvement of Lezhe Information Office.

Rreshen: YP Rreshen is currently involved in monitoring the road and sidewalk implementation and conducting a survey on the new SIAP, cleaning service. In fact, cleaning service is not entirely new, since the City improved it through SIAP in 2004; however, it requires updating. The survey demonstrates better results and consequently, more ambitious indicators.

Puka: They are developing a SIAP for the improvement of administrative procedures, specifically improvement of tax/fee collection and improvement of the tax/information office. In fact, although poor in businesses, they are making the extra effort to improve these procedures with LGDA support. Therefore, data collection gathered the opinion of 30 businesses, albeit not sufficient to form a solid opinion, and upon analysis, WG will set objectives for 2007.

Bajram Curri: The City lost the Head of Public Services Department, a key WG member, and therefore, dropped the SIAP on tax/information office improvement. However, the City progressed with the TOR on the new priority area, roads and sidewalks, and upon analysis, will set objectives for 2007.

Bushat and Vlore are the only Cities which have not selected a new area for improvement. And while **Vlore** will select the new service in a matter of days, **Bushat** decided to keep working on the water service, due to lack of capacities and resignation of the head of public services. WG reports completion of the survey, which in the case of Bushat serves two purposes: as a monitoring tool and as the evidence of the actual situation with the service. LGDA will submit results upon data processing and analysis.

Kucove: The first City reporting the completion of a new SIAP, on greenery. WG will introduce it in the forthcoming Council meeting. Although with limited funds, the City started preparing another SIAP on road and sidewalk maintenance. Additionally, the City updates annually the information of earlier SIAPs. Kucove now has a total of 4 services in the budget utilizing SIAP.

Patos: Discontinued for some time, relations between LGDA and Patos resumed during September. During September, the Mayor received a briefing on LGDA activities and asked of him to push with the work for monitoring the existing SIAP as well as the start of a new one. The Mayor expressed the willingness to continue the work and his appreciations for the experience the City had gained from UI and LGDA. Therefore, the City will monitor and update the cleaning service and work with roads and sidewalk maintenance service. The WG is already formed and work continues with situational analysis. (Although Patos has been a low performer for LGDA and had not completed its SIAP), we recently learned they had in fact included most of the information and work gathered for the SIAP in the 2006 budget.)

Shkoder and Kukes demonstrate good relations with local civil society organizations. NDI (Shkoder office) and CSDC (Shkoder Office) played a vital role in conducting the surveys for both Cities (greenery and civic registry – Shkoder; greenery and cleaning – Kukes). These survey data will serve as baseline indicator values.

Berat: They are planning data collection for their new SIAP services (cleaning and greenery) as well as for the public lighting service as part of performance monitoring. Co-Plan recently conducted a survey in Berat, LGDA will work with the City to integrate this data into their SIAPs.

Kavaje: During this quarter the private company contracted to provide cleaning services cancelled their contract due to disputes with the City regarding service provision and landfill issues. WG worked on the new service contract, now aiming at covering the entire city with service and incorporating performance standards. The new tender process took place in August and staff already reports that the new company is equipped with contemporary technology and is therefore expected to offer higher service quality, at a lower cost. Implementation of the service involves the purchase of garbage bins and building of sidewalk pockets to place small street receptacles. A TOR is in process.

Other Cities, like **Gjirokaster, Sarande and Permet** are in the data collection phase with their new services, respectively, public lighting, greenery and cleaning services. PCVs and high school students will be involved in the process.

Local community opinion on local government decision making seems to be appreciated even more this year compared to last year. Reliance on surveys and TORs to measure performance and set baseline data are not the only indicators of this change. The City Councils of the following Cities approved funds to support these new participatory techniques:

- Gjirokaster 50, 000 leke
- Sarande 80,000 leke
- Fier 40,000 leke
- Permet 25,000 leke

Erseka – City staff progresses with the step-by-step monitoring by following the tasks set forth in the SIAP action plans. This includes monitoring the following areas:

Improvement of potable water supply

Priority task - installation of water meters

WG submitted a proposal to the Council which approved an extra fund of 1 million Leke for purchasing and installation of water meters. This allocation will enable installation of water meters in all households living in garden houses, which misuse water to water plants and trees in their gardens (total number of meters is 550ea including the ones installed last year).

However, the General Directorate of Water and Sewer Companies promised to supply the water meters. Therefore, the funds that have been allocated in the budget will be used for other items like valves, counter valves, water filters, elbows, nipples, etc.

Improvement of public lighting

Purchasing and installation of light bulbs has been completed, at a value of 300,000 leke from the unconditional transfer for investments. Situation in street public lighting in general and especially in periphery improved significantly.

Improvement of streets and sidewalks

"Repair and Asphaltting of Block Nr. 2" with a fund of 7.5 million Leke and "Re-asphaltting of the Street in front of the Hospital" with a fund of 2.2 million Lekes are about to complete. They will significantly improve street infrastructure of main and neighborhood streets. Main streets (385 linear meters), neighborhood streets (665 lm) and new sidewalks (210 lm) will improve quality from 3 to 1 as rated by ToR.

Monitoring Results for 2006 over 2005

Puke and Fier have the first monitoring results. Both Cities measured the progress of cleaning service implementation. Puke measured progress with a survey, conducted by a local civil society organization free of charge; whereas Fier used the sustainable support of Youth Parliament which is proving to be very successful in maintaining good relations with the City and LGDA. Whereas Fier makes available the TOR results; survey results are still underway. These results will be presented to Council in upcoming Council meetings.

Fier – Youth Parliament replicated the TOR for the cleaning service to measure the realization of targets set with this technique. All TOR results show improvement compared to the 2005 situation; additionally, they exceed targets set on street cleanliness. However, observers note that static dumping sites have been generally rated with 4 and they are mainly located at “Skenderbeu” Street and near Boarding Kindergarten 1. Upon analysis of the situation, WG recommended urgent replacement of dumpsters especially in “Skenderbeu” Street. YP will be present the findings to Council along with the survey results as a monitoring report based on performance indicators.

Table 3. TOR monitoring results

Indicator	Source	2005 Value	2006 Target	2006 Actual
% of sites near dumpsters rated with 1	ToR	34%	50%	44%
% of sites near dumpsters rated with 3 and 4	ToR	26%	20%	21%
% of streets rated with 1	ToR	70%	80%	85%
% of streets rated with 3 and 4	ToR	10%	8%	0%

Puke – First monitoring results: Outcome indicators measured through Survey

Puke, the first City releasing overall monitoring results, used a local CSO to conduct the survey and worked closely with City departments to provide a general picture of performance monitoring. LGDA notices improvement of the situation. Although the survey results in increased accountability of citizens to keep the city clean, citizen satisfaction with the service has dropped with 20.5%. WG is in the process of analyzing the data and will present them to a regular City Council meeting.

Indicator	Source	2005 Value	2006 Actual
% of households receiving cleaning service	Services Department	84.2 %	84.2 %
% of surfaces of roads, squares, and sidewalks that are swept every day and rated by TOR with 1 - 1.5	Services Department +TOR	50 %	65%
% of citizens reporting that garbage is removed every day or 4-5 days/week	City records	N/A	25%
% of citizens rating the city “clean” and “very clean”	Survey	53 %	32.5%
% of citizens filing complaints about cleaning service	Information Office	N/A	10%
% of citizens who feel responsible for keeping their city clean	Survey	21%	60%
% of citizens reporting that they are willing to pay more for the cleaning service	Survey	21%	45%
% of collection rate of cleaning fee: <ul style="list-style-type: none"> • Business • Households 	Tax Department	79 % 32.8%	69% 35.4%
% of cost covered by the cleaning fee	Services and Budget Department	54 %	47%

2006 and 2007 SIAPs

Target Cities

	SIAPs for 2005-2006		SIAPs for 2006-2007	
City	Service	Current Status Implementation and Monitoring	Service	Current Status based on SIAP Steps
Fier	Cleaning Service	TOR and Survey Monitoring completed; Data processing	Greenery Road and Sidewalk Maintenance Public Lighting	Survey completed Data processing and analysis
	Municipal Tax Collection	In process		
Berat	Public lighting	Survey - in process	Cleaning Service Greenery	Data collection process
Vore	Water Supply Service	Implementation and Monitoring	Information and Communication Cleaning Service	Data collection process TOR – in process
Kavaja	Road & Sidewalk Maintenance	Implementation and Monitoring	Cleaning Service	Data collection TOR process
	Public Lighting Façade Rehabilitation	Implementation upon road construction		
Kucove	Water Service	Not approved in 2006 budget; will inform 2007 budget	Greenery	SIAP Completed; To be introduced to the upcoming Council meeting
	Cleaning Service Public Lighting One Stop Shop	Implementation, Monitoring, updating	Road & Sidewalk Maintenance	Situational analysis
Vlore	Cleaning Service	Implementation and Monitoring	New SIAP to be selected soon	
Patos	Cleaning Service	Implementation, Monitoring, updating	Road & Sidewalk Maintenance	Situational analysis
Gjirokastra	Cleaning Service	Implementation and Monitoring	Public lighting	Data collection (survey)
Saranda	Cleaning Service	Implementation and Monitoring	Greenery	Data collection (survey)
	Improvement of business climate	In process	Public Information Office	Data collection from departments
Permet	Public Lighting	Implementation and Monitoring	Cleaning Service	Data collection (survey)
Shkodra	Public Lighting	Implementation and Monitoring	Civil Registry Office Greenery	Data analysis (survey)
	One stop shop and improvement of business climate	Still an initiative		
Puke	Cleaning Service	First monitoring results	Tax administration	Data analysis (survey)

		available	collection	
Kukes	Road & Sidewalk Maintenance	Implementation and Monitoring	Cleaning Service Greenery	Data processing and analysis (survey)
Bajram Curri	Cleaning Service	Implementation and Monitoring	Road & sidewalk maintenance	Data processing (TOR)
Lezhe	Cleaning Service	TOR to measure performance; data processing	Information Office	Staff training on information office
Rreshen	Road & Sidewalk Maintenance	TOR to measure performance; data processing	Cleaning Service	Data collection
Bushat	Water Supply Service	Survey completed; Data analysis	Water Supply Service	Survey completed; Data analysis
Pogradec	Greenery Public Lighting Cleaning service Road maintenance	Implementation and Monitoring	Tourism	Survey completed; data processing
	Citizen Awareness on Paying Cleaning Fees	In process		
Elbasan	Public Lighting Cleaning Service	Implementation and Monitoring	Greenery	Data collection; TOR process
Erseke	Road maintenance Public lighting Water Supply Service	Implementation and Monitoring	Greenery	Data collection; TOR completed
Peshkopi	Public Lighting Greenery	Implementation and Monitoring	Cleaning Service	Data collection
	Tax Collection	Implementation and Monitoring		
Prrrenjas	Greenery Cleaning Service	Implementation and Monitoring	Road & Sidewalk Maintenance	Data collection TOR process
Bulqize	Cleaning Service Greenery	No evidence after SIAP intro. Staff not willing to cooperate		

SIAP CHART
 2006 – 2007

City	Roads and Sidewalks	Solid Waste and Street Cleaning	Water	Public Lighting	Greenery	Other	SIAP Administrative Procedures on
FIER REGIONAL OFFICE							
Fier	✓	✓		✓	✓		✓ (Tax collection)
Berat		✓		✓	✓		
Vora		✓	✓				✓ (Information & Communication)
Kavaja	✓	✓		✓	✓	✓ (Façade Maintenance)	
Kucova	✓	✓	✓	✓	✓		✓ (One stop shop)
Vlora		✓					
Patos	✓	✓					
GJIROKASTER REGIONAL OFFICE							
Gjirokastra		✓		✓			
Saranda		✓			✓		✓ (Improve Business Climate) ✓ (Public Information Office)
Permet		✓		✓			
SHKODER REGIONAL OFFICE							
Shkodra				✓	✓		✓ (Business Climate) ✓ (Civic Registration Office)
Puka		✓					✓ (Tax Administration Office)
Kukes	✓	✓			✓		
Bajram Curri	✓	✓					
Lezhe		✓					✓ (Information Office)
Rreshen	✓	✓					
Bushat			✓				
POGRADEDEC REGIONAL OFFICE							
Pogradec	✓	✓		✓	✓	✓ (Tourism)	✓ (Citizen Awareness)
Elbasan		✓		✓	✓		
Erseke	✓		✓	✓	✓		
Peshkopi		✓		✓	✓		✓
Prrenjas	✓	✓			✓		
Bulqize		✓			✓		

Notes: There is a total of: 10 SIAPs on Road and Sidewalk Maintenance
 20 SIAPs on Cleaning and Solid Waste Collection
 4 SIAPs on Water Service Improvement
 11 SIAPs on Public Lighting Service
 12 SIAPs in
 2 SIAPs on other services
 10 SIAPs on administrative procedures improvement
 2007 services/procedures are in red.

Non-target Cities

While implementation and monitoring of 2006 SIAPs continues, Cities also made considerable progress with new service areas.

- 13 non-target Cities have conducted surveys to set baseline data
- Kelcyra is the first City conducting a survey for monitoring purposes of the water supply service and will make data available upon further processing and analysis; whereas Memaliaj is in the process of conducting the survey on the cleaning service.
- Korce, Maliq and Bilisht are the first non-target Cities applying the TOR technique in their selected services for improvement, namely, greenery and cleaning services.

Table 5: *Status of Non-Target Cities*

City	Status of Activity
Ura Vajgurore, Polican Corovode, Divjake, Roskovec Himara	New SIAP: Public Lighting – data collection is completed and setting baseline indicators is in process. New SIAP: Cleaning Service – data collection is completed and setting baseline indicators is in process.
Peqin, Cerrik, Rrogozhine	Monitoring of the existing SIAPs. Mentor is looking into conducting surveys in all three Cities to measure the performance and accomplishment of 2006 indicators as well as to establish 2007 targets.
Orikum, Belsh, Selenice, Lushnje, Konispol Delvina	Monitoring the implementation of the 2005 SIAP on cleaning service New SIAP: Cleaning Service - data collection in process
Kelcyra	Monitoring: WG prepared the questionnaire and conducted the survey to measure the performance of established indicators on the water supply service; however, data are not yet available for comparisons. New SIAP: Cleaning Service – WG is working on the situational analysis
Memaliaj	Monitoring: WG is carrying out a survey to measure the performance of the implementation of the cleaning service.

	New SIAP: Public Lighting – WG is working on the situational analysis
Tepelena	New SIAP: Public Lighting – WG is working on the situational analysis. PCV stationed in Tepelene will conduct the survey, as part of data collection, with high school students.
Libohova	Cleaning Service: City accomplished this month data collection through a survey. Data analysis and setting outcomes are the next step.
Korce	New SIAP: Greenery Service – data collection in process. Survey carried by distributing questionnaires to schools. WG is now processing the data. TOR will take place within October.
Maliq	New SIAP: Cleaning Service - data collection in process. Survey carried by distributing questionnaires to schools. WG is now processing the data. TOR will take place within October.
Bilisht	New SIAP: Cleaning Service – data collection in process. Survey carried by distributing questionnaires to schools. WG is now processing the data. TOR will take place within October.
Kamez, Shijak	New SIAP: Cleaning Service Both Cities conducted the survey and will process the data within October. Additionally, work continues with the financial data and policies for 2007.
Sukth	Work continues with the Road & Sidewalk maintenance monitoring . Roads have been paved and metalled with the investments accorded from the CG and local revenues; yet, the sum of 30,000 leke allocated by the City for maintenance has not been used. Mayor and WG have agreed to use it by the end of the year. Additionally, the City has not planned a maintenance fund for 2007 which is of primary importance to SIAP.
Kruje	New SIAP: Cleaning Service – data collection is in process. WG is trying to find people interested in conducting the interviews or physical assessments.
Mamurras	New SIAP: Cleaning Service – survey completed and WG is entering and processing the data.

During Q3 LGDA combined the capacity building program with the strengthening of the role of civil society organizations, through TOR trainings. Therefore, 16 target and non-target cities (staff, academics and civil society organizations) received the trainings and as evidenced above are applying the techniques in their services.

Table 5: TOR training statistics

Region	Date	No. of participants	Focus of TOR	Attending Cities
Korce	July 13	20	Parks and Green Areas	Korce, Maliq, Bilisht
Erseke	July 14	10	Parks and Green Areas	Erseke
Sarande	July 26	15	Parks and Green Areas	Sarande
Elbasan	July 18	15	Parks and Green Areas	Elbasan
Shkoder	August, 22-23	18	General TOR on services	Shkoder, Rreshen, Lezhe, Bajram Curri
Vore	September 6	17	Cleaning Service Road and Sidewalk	Vore (city staff and heads of villages)
Lezhe	September 7	23	General TOR on services	Shijak, Lac, Burrel, Kamez
Kavaje	September	6	Cleaning Service	Kavaje (city staff)

Administrative Procedures

The improvement of administrative procedures scales out to more Cities! Improvements aim at reducing corruption, providing transparency and making LG units more accountable to local community.

LGDA Gjirokaster with the support of the city staff and their local PCV assisted Saranda to start a public information office. They jointly prepared a project and upon suggestions for improvement, LGDA and PCV will train the staff on the functioning of the Information Office.

Additionally, 4 SIAPs focus on the improvement administrative procedures: information and communication among City departments and while interfacing the local community (Vore), public information office (Lezhe), tax administration office (Puke), and civic registration office (Shkoder). While work with these SIAPs progresses with data collection, work with civic registry SIAP progresses at a slower pace since it is a shared function and therefore, requires more specific assistance.

Monitoring and Evaluation

During this quarter LGDA submitted to USAID its PMP indicators for 2006 (see below). Moreover, LGDA worked on indicators to internally measure project performance in the light of both components. Regional offices collected municipal data regarding service improvement action planning. LGDA devised an outcome matrix that shows the impact of SIAP in target cities. It was submitted to the CTO under a separate e-mail.

For the purposes of measuring performance, LGDA is currently preparing to again conduct city surveys in 13-14 target Cities (9 of which surveyed in August 2005). The survey is expected to take place in November and results will be available in December. LGDA has also begun advance planning for the national citizen survey expected in the spring.

SO 2.1: INCREASED INVOLVEMENT OF CIVIL SOCIETY IN ECONOMIC AND POLITICAL DECISION-MAKING

<i>IR 3: More Accountable and Transparent Government</i>				
<i>Indicator 1: % of Total Local Government Expenditures under Full Local Government Discretion at the End of the Fiscal Year (supplemented by Total Dollar Amount under Discretion)</i>				
	Dec 31, 2004 Actual	Dec 31, 2005 Target	Dec 31, 2005 Actual	Dec 31, 2006 Target
% Local Discretion	45.7%	46%	49.5%	54%
Total Dollars (\$ Millions) Under Discretion ¹	\$ 160.6	\$ 161	\$ 191.93	\$ 189.00
<i>Indicator 2: % Increase in Revenues from Local Taxes and Fees: Year on Year</i>				
	Dec 31, 2004 Actual	Dec 31, 2005 Target	Dec 31, 2005 Actual	Dec 31, 2006 Target
% Increase of Local Revenues ²	6.8%	7%	11%	10%
<i>Sub IR 3.1 Fiscal and Administrative Authorities Effectively Decentralized</i>				
<i>Indicator 1: Number of Paragraphs of the European Charter on Local Self Governance with which the laws of Albania are in Compliance</i>				
	FY 2005 Actual	FY 2006 Target	FY 2007 Target	
# of Total Paragraphs in Compliance	26	26	27	
# of Core Paragraphs in Compliance	14	14	14	
<i>Indicator 2: % Value of all Transfers to Local Governments by Formula</i>				
	Dec 31, 2004 Actual	Dec 31, 2005 Target	Dec 31, 2005 Actual	Dec 31, 2006

¹ Official average exchange rate: Bank of Albania www.bankofalbania.org

² Although Actual 2005 exceeded the target, 2006 target remains the same due to tax rate halving

					Target	
% Value of Formula-Based Transfers	25%	25%	28%	37%		
<i>Sub IR 3.2 Strengthened Capacity and Accountability of Targeted Local Governments</i>						
<i>Indicator 1: Percent of Citizens that Rate Satisfaction with City Services as High or Very High</i>						
	FY 2005					FY 2007
% Satisfied with City Services	Service area	Response category	Overall City	Neighborhood	Downtown	TBD
	Water (sufficient amount when you need it)	Usually or always	65%			
	Sidewalk conditions	Good or very good	53%			
	Cleanliness	Clean or very clean	47%	45%		
	Road conditions	Good or very good		40%	74%	
	Parks and Green Areas	Satisfied or very satisfied	36%			
	Street lighting at night	About right		30%		
	Traffic Congestion	Not a problem	16%			
<i>Indicator 2: Percent of Citizens Surveyed Who Say They Have a Great Deal of Trust and Confidence in the Local Government's Ability to Solve Local Problems</i>						
	FY 2005			FY 2007		
% of Citizens with Trust & Confidence in LG	51.5% ³			TBD		

Administration

LGDA seconded its Decentralization Specialist, Sabina Ymeri, to work with the AAM.

DELIVERABLES AND REPORTS

LGDA submitted the Annual Report (including its PMP indicators) to USAID during Q3.

PROBLEMS OR DELAYS AFFECTING THE TASK ORDER PERFORMANCE

None.

³ The percentage measures citizens surveys who say they have “very much” or “somewhat” trust and confidence in LG

WORK PLANNED FOR THE NEXT REPORTING PERIOD

- Trained Observer Ratings in Pilot City School Facilities to measure performance
- Project Proposal Writing Training Course Begins
- Cash Management Trainings Begin
- Urban Planning Working Group Continues Work
- AAM, with LGDA assistance, will report to local governments on how to effectively implement the transfer of administration of the SBT/SPT
- Conduct a Fiscal Policy Dialog
- Conduct a Policy dialog review the draft Budget Law and draft Borrowing Law
- Conduct Basic City Council Training (in preparation for New Councilor School after upcoming local elections)

SPECIFIC ACTION REQUESTED

None at this time.